



GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF GENERAL SERVICES



REQUEST FOR SPACE ("RFS")

DGS-RFS- DGS-2019-3

Department of General Services - Headquarters Offices

The District of Columbia's Department of General Services (DGS) is seeking offers for office space that satisfy the criteria listed below. Responsive offers, among other things, should provide space that is within one building and on contiguous floors. The Department of General Services is the agency identified to initially occupy the proposed space.

Background

The Department of General Services (DGS) is an agency of the District of Columbia government with more than 700 skilled employees with a mission to build, maintain, and sustain the District of Columbia's real estate portfolio to foster economic viability, environmental stewardship and equity across all eight wards of the District.

Evaluation Criteria

The Evaluation Criteria are as follows:

- A. Serves the Agency's operations
- B. Rental Rate and Rent Structure consistent with DGS's typical standards
- C. Location that meets the preferred criteria, in accordance with *Mayor's Order 2019-078: Priority for Leasing District Government Space in Neighborhoods Experiencing Underinvestment*

Submission Instructions

Offerors shall submit their proposals by responding to or accepting each of the terms included under the Evaluation Criteria in the order and format presented below. Please clearly state any exceptions or substitute language to any of the terms listed below.

Section A. Agency Operation – To be evaluated based on the suitability of space to meet the operational needs of the Department of General Services (DGS).

Tenant: The District of Columbia, a municipal corporation, acting by and through its Department of General Services (the District).

The District agency initially occupying the premises will be DGS. The District retains the right to change occupying agencies without such substitution constituting a sublet of the Premises or an assignment of the Lease, or otherwise requiring Offeror's consent.

Building:

Please provide building name and address and the following:

- For new buildings – please provide evidence of entitlements and approvals for development of the building, garage and site;
- For existing buildings – description of any renovations planned for the building, including timeline;
- For new and existing buildings, a description of building systems, including HVAC system servicing the space, its capacity and additional capacity available within the building;
- Description of building's security and access control (preference will be given to buildings with lobby level security and controlled access to the Premises);
- Detailed description of maintenance and cleaning;
- Description of waste and recycling programs;
- Description of any amenities the building has/will have such as a gym, outdoor space or restaurant;
- Description of energy efficiency programs and equipment; and
- Statement as to ADA compliance.

Landlord:

Please provide ownership information including:

- Evidence of control of property and timely availability of the Building and Premises (if offeror does not currently own the property please provide evidence of site control and timing and all contingencies, if any, for closing);
- Management structure; and
- Evidence of Offeror's wherewithal to fund development (where appropriate), ongoing building operations, a tenant improvement allowance and, if applicable, other property improvements.

Lenders:

Please provide a detailed description of any lenders with financing associated with the building and any liens and/or ground leases that may or will encumber the building.

Premises:

Please propose from 175,000 to 225,000 Rentable Square Feet ("RSF") of space to accommodate DGS. It is preferred that DGS be in contiguous space within one building. DGS may be the only tenant in the Building; however preference will be given to properties that include accompanying community amenities, especially full service grocers and affordable housing. DGS will require below-grade storage space (square footage TBD) and approximately 350 SF for an MDF / server room.

If there are existing tenants in the space proposed, please provide evidence including dates for the existing tenant's plans to vacate the space. If there are existing improvements on a proposed development site, please provide evidence including dates by which the Landlord shall demolish the improvements.

Please provide the following:

- Base building, site and garage plans;
- Floor plans delineating specific floor and square footage;
- Description of the condition of space;
- Common area factor; and
- Offeror's agreement to utilize BOMA standard of measurement for the building and Premises.

Please note that:

- Offered space must meet the District's requirements for fire, safety, handicapped accessibility, and sustainability.

Test Fit:

After thorough analysis of all proposals, the District will notify Offerors whose proposals have been short listed by the District for purposes of building/property tours. After the building/property tours are complete, the District shall deliver programming requirements to such Offerors and, within 10 business days, each such Offeror shall, at its sole cost and expense, without any reimbursement from the District, provide \$0.15/RSF in funding for and deliver one test fit for the Premises based upon the programming requirements provided by the District, which shall include one (1) revision to the test fit, together with the architect's detailed pricing notes. The architect selected by each Offeror shall be subject to the District's prior approval.

Lease Term:

Ten (10) to Fifteen (15) years.

Option Term:	The District requests an option to extend the term for one (1) additional period of five (5) years.
Rent Commencement Date:	The District shall commence paying rent when the Premises is delivered to the District with any work to be performed by the Offeror completed to the Premises, Base Building, Parking Areas and Site, as evidenced by a certificate of occupancy. Please confirm Offeror can deliver the substantially completed Premises by the summer of 2022.
Use:	Primarily administrative office and any other lawful use. If relevant, please provide the names of the other tenants in the building.
Amenities:	Please describe the amenities or special services that will be available in the building (deli/restaurant, building conference rooms, teleconferencing, health club, security escort services, etc.).
Assignment/Subletting:	Please confirm the District shall have the right, subject to Offeror's consent, which consent shall not be unreasonably withheld, conditioned or delayed, to assign the Lease or sublease all or any portion of the Premises.
Building Hours:	<p>Required building hours are 7:00 am to 6:00 pm, Monday through Friday; and 9:00 am to 2:00 pm on Saturday. However, the District's employees shall require 24-hour Premises access for 52 weeks per year.</p> <p>The District shall have the right to design the appropriate card access system for the Building or utilize Offeror's base building card access system to the building and building elevators and shall be provided with a sufficient number of access cards for each District employee.</p>
Parking:	Please reference the availability and type of parking (i.e. structured vs. service and reserved). Please offer the District a parking ratio between 1 to 2 parking spaces per 1,000 RSF leased for its consideration. Please provide the cost per parking space on a monthly basis, including any scheduled escalations in cost.
Tenant Improvement Allowance:	The District requires a Tenant Improvement Allowance ("TIA") of at least \$135.00 per RSF. The District requires a non- restrictive TIA. Specifically, the District may use its allowance for hard and

soft construction costs, IT, FF&E, specific electronic equipment and relocation services. The District may require the Offeror to contract for the build-out of the space.

If the District requires that the Offeror build out the Premises, the Lease shall include a Work Exhibit. In such event, the TIA thereunder shall be subject to the requirements of D.C Code Section 2-218.46 regarding the use of Small Business Enterprises and Certified Business Enterprises (as such term is defined under D.C. Code Section 2-218.02), provided that 50% SBE/CBE participation shall be required (rather than 35% as included in the current Statute). The Work Exhibit shall set forth the foregoing requirement.

Brokerage:

Savills, Inc. (Savills) is recognized as the exclusive broker representing the District in this proposed transaction. Upon execution of a Lease with the District, Landlord shall compensate Savills with a commission equivalent to 4.0% of the Lease value based on the Annual Rent (as defined below) over the initial Lease Term.

Section B. Rental Rate and Rent Structure – To be evaluated in context of the overall value to the District and the competitiveness relative to market, considering such factors as aforementioned Mayor’s Order, condition of space, efficiency of space, proposed TIA and flexibility in the utilization of the TIA, rental abatement period, escalations, etc. Rent structure should be submitted based on the following proposed structure. The terms below are based on RSF.

Open Book Process:

Please note, the Landlord and District shall arrive at a final Annual Rent through an open book and collaborative process.

Net Rent:

Escalations will be allowed on the Net Rent only. Do not include any escalation on the Annual Rent (as hereinafter defined).

Operating Expenses:

The Annual Rent for the first year shall include operating expenses (OpEx). OpEx is subject to annual escalations according to changes in the Consumer Price Index (CPI). The amount of the OpEx for the first year proposed by Offeror will be subject to verification by the District and may be subject to revision prior to Lease execution.

Real Estate Taxes:

The Annual Rent for the first Lease year shall include the ‘Real Estate Tax Base,’ which shall be equal to the District’s

proportionate share of real estate taxes for the building for such first year.

Commencing on the anniversary of the first Lease year, the District will owe its proportionate share of real estate taxes for the building that exceeds the Real Estate Tax Base. The Real Estate Tax Base will be subject to verification by the District and the amount may be subject to revision prior to Lease execution.

Tenant Improvement Allowance Amortization: Annual Rent shall include TIA amortized over the initial Lease Term.

Annual Rent: Total of all of the above factors. Please provide an aggressive, market sensitive rent proposal (**including concessions such as rent abatement**). Please use a full-service gross rental structure.

Below is an **EXAMPLE ONLY** of how the proposed rent structure should be presented:

Net Rent	\$15.00
Operating Expenses	\$10.00
Real Estate Tax Base	\$ 9.00
TIA Amortization	<u>\$13.50</u>
Annual Rent for first Lease year	\$47.50 RSF

Purchase Option A preference will be given to those Landlords willing to provide the District with a purchase option as part of the lease.

Section C: Location – To be evaluated based on the location’s accessibility to the constituents it serves. A preference shall be given to properties in Ward 7 & 8.
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Proximity to Public Transit/Preferred Locations: Briefly describe the proximity (distance to the access point of the building) and accessibility to multiple modes of public transportation, including color of Metro train line and major highway/freeway access proximate to the building.

Please describe in detail neighboring amenities within walking and driving distance to the property (food service, grocery, drug stores and other support amenities).

Please describe in detail ancillary benefits to the community (for example, benefits provided by the property owner such as

community space, below-market retail space for local businesses, commitments to hire local residents, commitments to maximize allowable density to build or expand affordable and workforce housing; available incentives that could attract additional investment; partnerships with community groups, job training providers, or other organizations that will benefit the community), with priority given to projects that will include, or catalyze the development of, a full-service grocery store.

Submission Format and Due Date

Please provide one (1) hard copy and two (2) electronic copies in Microsoft Word and PDF on a USB flash drive labeled **DC Office of the Department of General Services HQ RFS**. The offers shall be written in 12-point font size on 8.5"x 11" paper. Offers must also include **signed** DC DGS FORM S-103 (attached).

Electronic mail and facsimile Offers **will not** be accepted. Each Offer shall be submitted in a sealed envelope conspicuously marked: **"Offer in Response to DGS-RFS-DGS-2019-3."** Offers **must be** submitted to DGS with all required information and documentation by **3:00 pm on Friday, October 4, 2019** in order to be considered.

Offers must be hand delivered to:

Department of General Services
ATTENTION: Ikeogu Imo
REFERENCE: DGS-RFS-DGS-2019-3

2000 14th Street, NW - 8th Floor
Washington, DC 20009
No phone calls please.

Addendum: If it becomes necessary to revise any part of this RFS or if additional data is necessary to enable interpretation of provisions of this RFS, such revisions or additional data will be made available online.

Any matters that are not addressed in this RFS and that would further distinguish the building from other competing buildings should be addressed in your response.

This Request for Space shall not be considered an offer to lease and DGS reserves the right to withdraw this Request for Space at any time.